



County of Los Angeles
CHIEF EXECUTIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION
LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

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August 14, 2007

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**REQUEST TO ACCEPT COMPROMISE OFFER OF SETTLEMENT
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

Authorize the Director of Health Services or his designee to accept the attached compromise offers of settlement, pursuant to Section 1473 of the Health and Safety Code, for the following individual accounts for patients who received medical care at a County facility:

(1)	Account Number	RLANRC - 2636223	\$40,203
(2)	Account Number	H/UCLA - 8118236 and 8190064	\$33,333
(3)	Account Number	LAC+USC - 5049181	\$381,864

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The compromise offer of settlement for patient accounts (1) – (2) are recommended because the patients are unable to pay the full amount of charges and the compromise offers represent the maximum amounts the Department will be able to receive under the legal settlements involved in these cases. The compromise offer of settlement for patient account (3) is recommended because the amount is the highest amount that could be negotiated with the patients' insurance (Commercial or HMO) under the

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circumstances of the case, and receipt of such insurance proceeds prevents further collection from the patient, except for possible beneficiary coinsurance or deductible obligations.

The best interests of the County would be served by the approval of these compromises since it will enable the Department of Health Services (DHS) to maximize net revenue on these accounts.

Implementation of Strategic Plan Goals

The recommended action will satisfy County Strategic Plan Goal #4, Fiscal Responsibility.

FISCAL IMPACT/FINANCING

This will expedite the County's recovery of revenue totaling approximately \$455,400.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On January 8, 2002 the Board approved an ordinance granting the Director of Health Services (Director) authority to reduce patient account liabilities when it is in the best interest of the County to do so. The ordinance was adopted by the Board on January 15, 2002.

Under County Code Chapter Section 2.76.046, the Director has the authority to reduce patient account liabilities by the greater of i) \$15,000, or ii) \$75,000 or 50 percent of the account balance, whichever is less. Any reduction exceeding the Director's authority requires Board approval.

Typically, recoveries in legal settlements are divided approximately into thirds between plaintiff, plaintiff's attorney, and all medical lien holders, which would include the County's hospital lien. Factors that contribute to each party receiving more or less than one-third of the recovery include, the number of medical lien holders, the plaintiff's attorney retainer agreement, and costs accrued by plaintiff associated with the legal process.

The compromise of these accounts is not within the Director's authority, so the Director is requesting Board approval of these compromises.

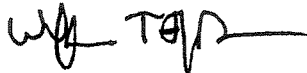
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IMPACT ON CURRENT SERVICES (OR PROJECTS)

Maximizing net revenues on these accounts will help DHS meet its budgeted revenue amounts.

When approved, DHS requires three signed copies of the Board's action.

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

WTF:SRH:SAS
DJ:LT:bjs

Attachments (3)

c: County Counsel
Director and Chief Medical Officer, Department of Health Services

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 1
DATE: August 14, 2007

Total Charges	\$80,406	Account Number	2636223
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$80,406	Date of Service	9/30/04 - 10/18/04
Compromise Amount Offered	\$40,203	% Of Charges	50%
Amount to be Written Off	\$40,203	Facility	RLANRC

JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at RLANRC and incurred total inpatient charges of \$80,406 for medical services rendered. The patient did not cooperate in applying for Medi-Cal and thus, was not eligible for the Ability-To-Pay (ATP) program. The patient's third party liability (TPL) claim settled for \$1,000,000, the policy limit carried by the party responsible at the time of the accident, and her attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement*
Lawyer's Fees	\$400,000	\$250,000	25%
Lawyer's Cost	\$0	\$0	0%
RLANRC	\$80,406	\$40,203	4.02%
Other Lien Holders	\$311,018.80	\$190,501.80	19.05%
Patient		\$519,295.20	51.93%
Total		\$1,000,000	100%

* 23.07% of the settlement was allocated to all lien holders – (4.02% to RLANRC and 19.05% to others). The patient's lawyer has agreed to reduce his fees to 25%. According to the patient's lawyer, the patient suffered permanent brain damage as a result of this accident and will need the settlement amount to pay for ongoing care and treatments. However, the allocation to the County is: (1) 50% of charges, (2) more than the County would have received had the patient been covered by Medi-Cal or ATP, and (3) more than RLANRC variable cost for the services provided to this patient.

Based on information provided, it appears that the patient is unable to pay the full amount of charges and has no other source of income, or personal or real property to meet his obligation to RLANRC. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 2
DATE: August 14, 2007

Total Charges	\$121,176	Account Number	8118236 & 8190064
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$121,176	Date of Service	1/06/07-1/19/07 & 1/31/07
Compromise Amount Offered	\$33,333.33	% Of Charges	28%
Amount to be Written Off	\$87,842.67	Facility	H/UCLA Medical Center

JUSTIFICATION

This patient was involved in an automobile versus pedestrian accident. As a result of this accident, the patient was treated at H/UCLA Medical Center and incurred total inpatient and outpatient charges of \$121,176 for medical services rendered. The patient does not qualify for Medi-Cal and since he had obtained a lawyer, did not cooperate in applying for ATP. The patient's TPL claim settled for \$100,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$33,333.33	\$33,333.33	33.33%
Lawyer's Cost	\$0	\$0	0%
H/UCLA Medical Center	\$121,176	\$33,333.33	33.33%
Other Lien Holders	\$4,690	\$0	0%
Patient		\$33,333.34	33.34%
Total		\$100,000	100%

Based on financial information provided by the patient, it appears that the patient is unable to pay the full amount of charges and has no other source of income, or personal or real property to meet his obligation to H/UCLA Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 3
DATE: August 14, 2007

Total Charges	\$545,520	Account Number	5049181
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$545,520	Date of Service	11/1/06-1/5/07
Compromise Amount Offered	\$381,864	% Of Charges	70%
Amount to be Written Off	\$163,656	Facility	LAC+USC Medical Center

JUSTIFICATION

The above compromise offer of settlement is the highest amount that could be negotiated with the patient's insurance (Commercial or HMO) under the circumstances of this case, and receipt of such insurance proceeds prevents further collection from the patient, except for possible beneficiary coinsurance or deductible obligations.